

#### PPP EXAMPLES...

PUBLIC - PRIVATE PARTNERSHIP PROJECTS

Categories	Sector	Project Types
Economic Infrastructure Enables Business Activities	Transport	<ul> <li>Roads, Toll Roads, highways, freeways, tunnels and bridges</li> <li>Rail Systems</li> <li>Mass Transit Systems</li> <li>Cargo &amp; Logistics Centre</li> <li>Seaports &amp; Shipping</li> <li>Airports</li> </ul>
	Energy & Utilities	<ul> <li>Electricity Generation &amp; Distribution</li> <li>Gas Storage &amp; Distribution</li> <li>Water Supply &amp; Wastewater Treatment</li> <li>Renewable Energy</li> </ul>
	Communication	<ul> <li>Cable Networks &amp; Cell Towers</li> <li>WIFI</li> <li>Satellite, TV, Radio and Other Systems</li> </ul>
Social Infrastructure Accommodates Social Services		<ul> <li>Schools &amp; Universities (Education)</li> <li>Hospitals and other Health Facilities</li> <li>Prisons</li> <li>Sports Stadiums and Facilities</li> <li>Public Housing</li> <li>Convention Centres and Community Facilities</li> </ul>

#### CORPORATE FINANCING USE SPONSOR'S ASSETS AS COLLATERAL

Other Business
Revenues
Insufficient Revenues
to Repay Loan?

4. Make Loan Repayments

2. Builds Infrastructure

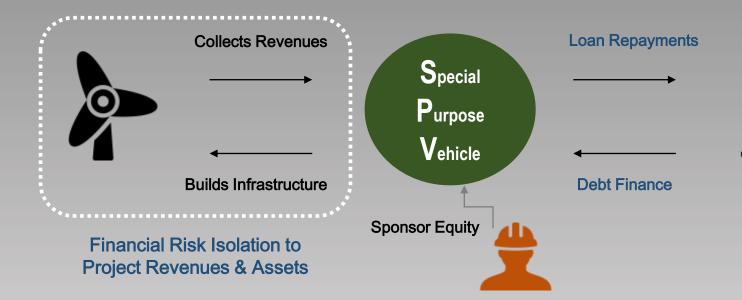
1. Gets Bank Loan

CORPORATE FINANCING METHOD

Project Sponsor : EPC, Contractor, Developer, Institutional Investors

#### PROJECT FINANCING USE SPV'S ASSETS AS COLLATERAL

PROJECT FINANCING IN PPP PROJECTS



PROJECT FINANCING IN PPP PROJECTS NON-RECOURSE

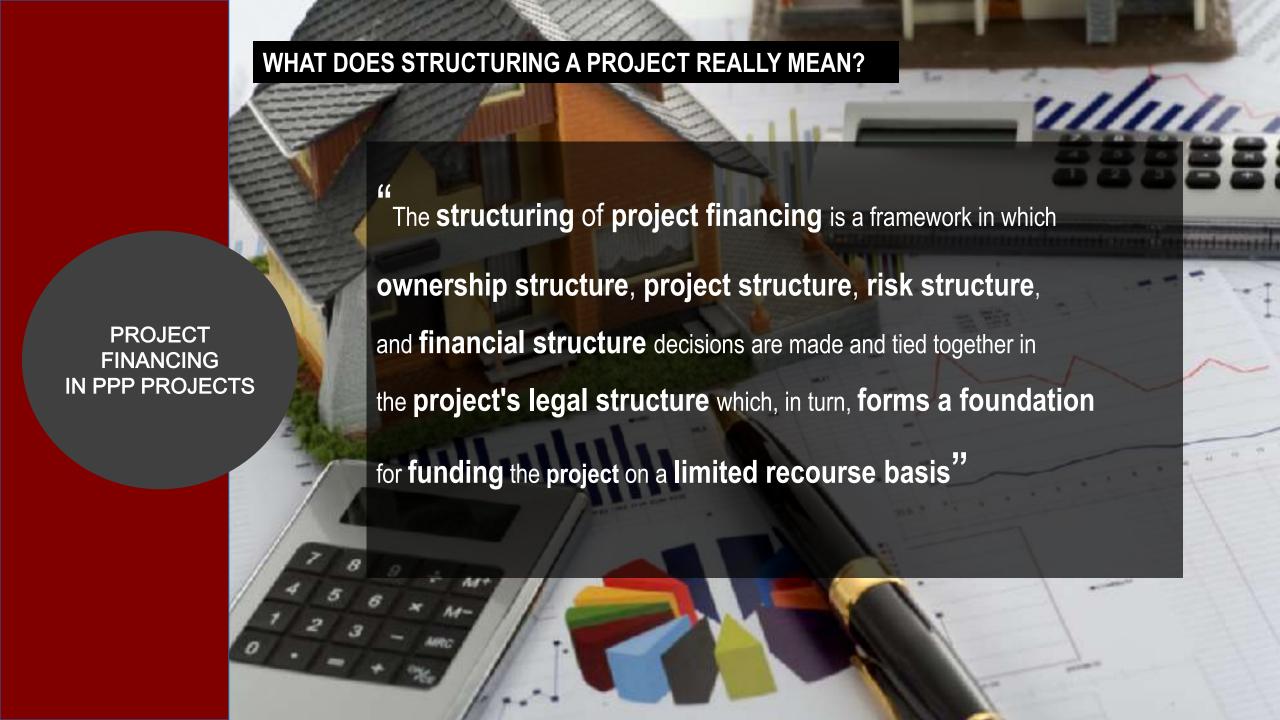
Lenders look solely to project cashflow + assets for debt repayment.

No External Guarantee

LIMITED RECOURSE

Lenders look <u>partially</u> to project cashflow +assets for debt repayment. Under defined circumstances, can look to project sponsors for debt repayment

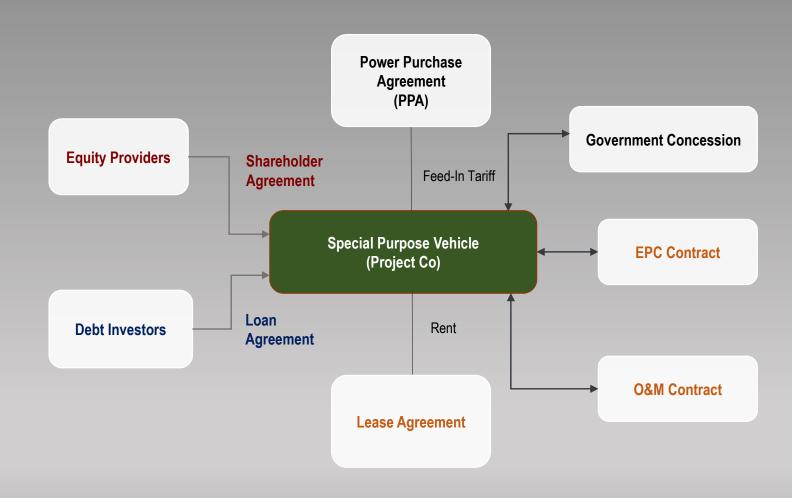
HOW TO OBTAIN PF FOR SPV? BY PROJECT STRUCTURING ...





### SENIOR DEBT LENDERS NEED TO SEE A WELL-PREPARED & SOUNDLY STRUCTURED PROJECT BEFORE INVESTING ...NOT OTHER WAY AROUND

SIMPLE LEGAL STRUCTURE OF SOLAR PPP



### MOBILISATION RESOURCES REQUIRED TO PREPARE A PROJECT FOR PROJECT FINANCE INVESTMENT ...

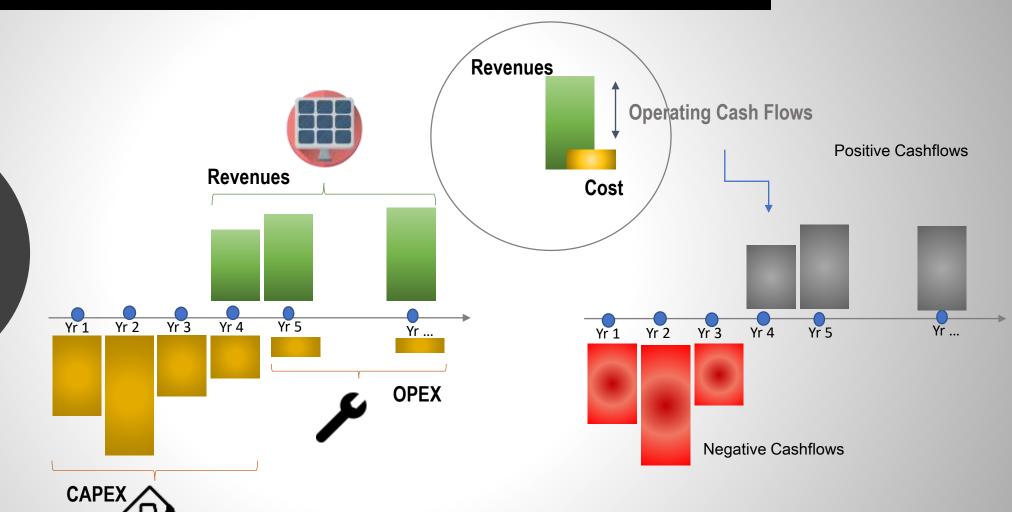
GOVERNMENTS &
LENDERS LOOK
TO SOUND
PROJECT
PREPARATION TO
ASSESS RISK

#### **Components of a Well-Prepared Project**

- Proper Undertaking of Technical Feasibility
- ✓ Demand/Market Study, forecast different growth scenarios
- Social Cost Benefit Analysis, economic and social benefits showing minimum economic return, economic NPV, social gender analysis
- ✓ Environmental Impact Assessment
- ✓ Risk Assessment
- ✓ Financial Analysis & Project Finance Modelling
- ✓ Value for Money Analysis



## WHAT INVESTORS WANT FROM WELL STRUCTURED PROJECT.. AS MUCH POSITIVE CASHFLOWS AS POSSIBLE..



CALCULATING CASHFLOW (CONCEPT)



INVESTORS WANT **Zero** surprises to Cashflows EXPECT RISKS TO BE IDENTIFIED, QUANTIFIED & MITIGATED ....AND LOOK TO THE PROJECT MANAGER TO DO THIS

HOW
INVESTORS
VIEW PROJECT
MGMT

Rapidly evolving, volatile, risk prone environments cannot be stopped...

But Project Managers can prepare stakeholders for resulting impacts of risks to their project "

### AND TO DO THIS THROUGHOUT THE PROJECT FROM START TO FINISH

HOW
INVESTORS
VIEW PROJECT
MGMT

#### **World Bank views on Project Management**

....it is the analysis & implementation that occurs throughout entire project lifecycle, from initial stages of project identification & appraisal through to project monitoring & evaluation.

Without effective

(Project) Management,
projects & programs are
unlikely to meet their time,
cost, quality, and
development objectives

#### Reference:

### AND EFFECTIVE PROJECT MANAGEMENT TEAMS ARE EXPECTED TO BE MULTIFUNCTIONAL ....

HOW INVESTORS VIEW PROJECT MGMT "Project success is directly linked to the effectiveness of planning, monitoring, and control at each stage of the life cycle, requiring multifunctional teams of analysts including communication, planning, financial management, procurement, risk and schedule management, monitoring, evaluation, and quality and human resources management"

Frannie A. Léautier, Vice President @The World Bank Institute

### HOW PROJECT MANAGEMENT TEAMS CAN IMPROVE THE RISK ASSESSMENT AND MANAGEMENT PROCESS FOR INVESTORS..

PM
TECHNIQUES
TO ADDRESS
INVESTORS'
NEEDS



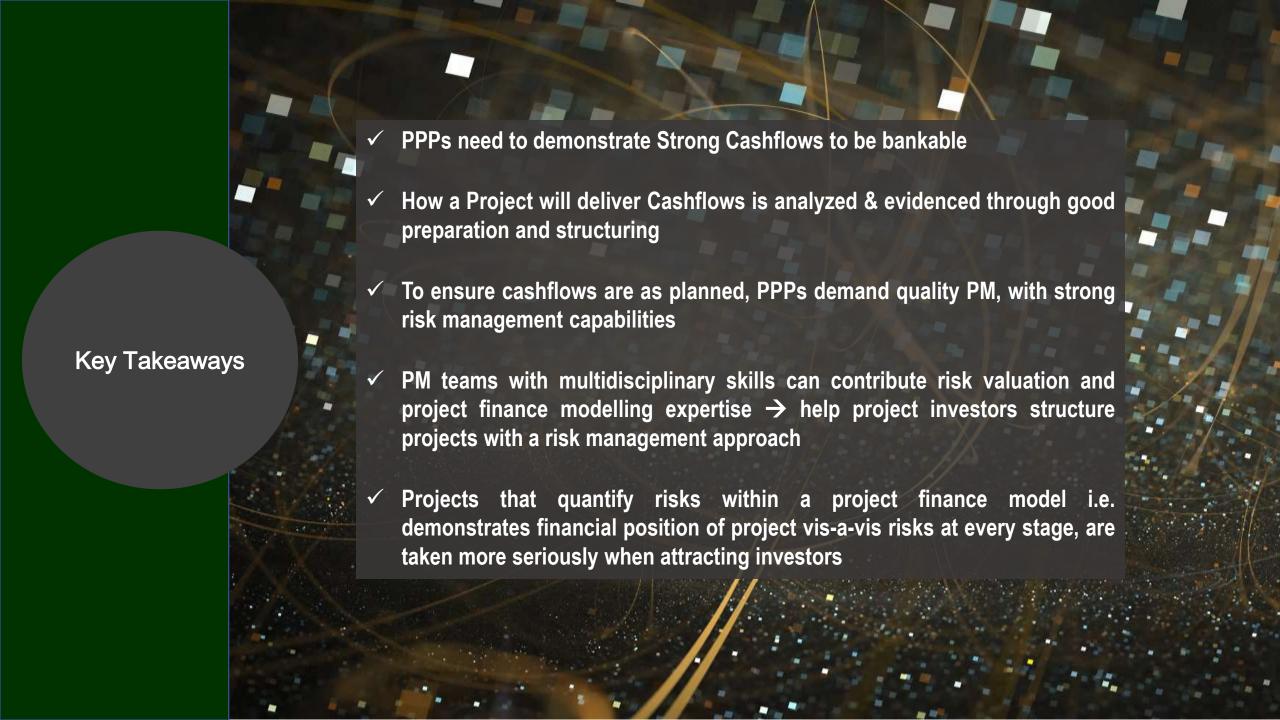








- ↑ Integration of diverse project management capabilities → combine engineering & financial aspects, for realistic financial modelling outcomes
- ↑ Use Risk Quantification Analysis → 360 risk profile of different parts of project (e.g. EV Methods, Statistical Modelling like Monte Carlo, Regression etc)
- ↑ Use Data-backed Predictive Analytics → lifecycle cost optimization (e.g. 5/6/7D-BIM/ data analytics for CAPEX / OPEX Simulation)
- ↑ Deploy BIM for Managing Risks e.g. Link construction program to design model → rehearse construction methodologies ↓ site risk
- ↑ Use Visual + Data in stakeholder communication E.g. 'design to cost' dashboards
   → shows real-time cost impact of design changes for instant assessment



# THANK YOU FOR SHARING YOUR AFTERNOON

Email: elaina@realkaiten.com



